

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

In the Matter of

BARBARA A. KLITCHKO,

A Former Officer of

**GLOUCESTER COUNTY FEDERAL
SAVINGS BANK, Sewell, New Jersey
(OTS No. 00940)**

Re: Order No. NE-05-05

Dated: May 2, 2005

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER OF PROHIBITION

WHEREAS, the Office of Thrift Supervision ("OTS"), based upon information derived from the exercise of its regulatory responsibilities, has informed Barbara A. Klitchko ("KLITCHKO"), formerly a commercial loan officer and Assistant Vice President of Gloucester County Federal Savings Bank, Sewell, New Jersey ("Gloucester County Federal" or the "Institution"), that the OTS is of the opinion that grounds exist to initiate administrative enforcement proceedings against KLITCHKO pursuant to provisions of Section 8 of the Federal Deposit Insurance Act (the "FDIA Act"), 12 U.S.C. § 1818,¹ and

WHEREAS, KLITCHKO, desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings; and

WHEREAS, KLITCHKO, while admitting that the OTS has jurisdiction with respect to this matter (as addressed in Paragraph 1 below), neither admits nor denies (i) that the above-mentioned grounds exist, or (ii) the OTS Findings of Fact (in Paragraph 2 below), and, is of the understanding that this settlement is subject to Rule 408 of the Federal Rules of Evidence.

NOW, THEREFORE, KLITCHKO hereby stipulates and agrees to the following:

1. Jurisdiction.

(a) Gloucester County Federal is, and at all times relevant hereto has been, a "savings association" within the meaning of 12 U.S.C. §§ 1462(4) and 1813(b). Accordingly, Gloucester County Federal is and has been an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

¹ All references in this Stipulation and Consent to Issuance of an Order of Prohibition ("Stipulation") and in the related Order of Prohibition are to the United States Code as amended.

(b) KLITCHKO, having been a commercial loan officer and Assistant Vice President of Gloucester County Federal at all times relevant hereto, is and has been an "institution-affiliated party" as that term is defined in 12 U.S.C. § 1813(u).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to initiate and maintain administrative enforcement proceedings against institution-affiliated parties of savings associations pursuant to 12 U.S.C. § 1818.

(d) KLITCHKO, having been a Gloucester County Federal officer and employee within six years of the date hereof, is subject to the authority of the OTS to initiate and maintain administrative proceedings against her pursuant to Section 8 of the FDI Act, including 12 U.S.C. § 1818(e). See 12 U.S.C. § 1818(i)(3).

2. OTS Findings of Fact.

(a) The OTS finds that KLITCHKO, while Gloucester County Federal's Commercial Loan Officer, engaged in lending-related activities in excess of her authority, failed to abide by the Institution's lending policies and procedures, withheld material information from the Institution's board of directors and management, and failed to maintain significant records in the Institution's official loan files. Among other things, such acts and omissions resulted in violations of the following OTS regulations: 12 C.F.R. §§ 560.1(b), 560.101, 560.160, and 560.170.

(b) The OTS further finds that by reason of the above-mentioned regulatory violations and unsafe or unsound practices Gloucester County Federal suffered financial loss, and such violations and/or practices demonstrate willful or continuing disregard by Klitchko for the safety or soundness of the Institution.

3. Consent.

KLITCHKO consents to the issuance by the OTS of the accompanying Order of Prohibition (the "Order"). KLITCHKO further agrees to comply with the terms of the Order upon its issuance and stipulates that the Order comply with all requirements of law.

4. Finality.

The Order of Prohibition is issued by the OTS under the authority of 12 U.S.C. § 1818(e). Upon issuance of the Order by the OTS (acting through its Regional Director for the Northeast Region), the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

KLITCHKO waives the following:

- (i) The right to be served with a written notice of the OTS's charges against her;
- (ii) The right to an administrative hearing of the OTS's charges against her;
- (iii) The right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (iv) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under federal statutes (e.g., the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise.

6. Indemnification.

KLITCHKO shall neither cause nor permit Gloucester County Federal (or any successor institution, holding company, subsidiary, or service corporation thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to the negotiation and issuance of the Order and this Stipulation, *provided however* this provision does not apply to any legal expenses paid or to be paid on KLITCHKO's behalf by the Institution's insurer. KLITCHKO also shall not obtain any indemnification (or other reimbursement) from Gloucester County Federal (or any successor institution, holding company, subsidiary, or service corporation thereof) with respect to such amounts. Any such payments received by or on behalf of KLITCHKO in connection with this action shall be returned to Gloucester County Federal (or the successor institution, holding company, subsidiary, or service corporation thereof).

7. Other Government Actions Not Affected.

KLITCHKO acknowledges and agrees that her consent to the issuance of the Order is for the purpose of resolving any and all administrative actions or other causes of action that the OTS has or may have against KLITCHKO relating to the matters described in the OTS Findings of Fact (at Paragraph 2 hereof), and neither this Stipulation nor the Order release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of KLITCHKO that arise relative to the aforesaid Findings of Fact or otherwise, and that may be or have been brought by any other government entity other than the OTS.

8. Miscellaneous.

- (a) The laws of the United States of America shall govern the construction and validity of this Stipulation and the Order.

(b) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

(c) The section and paragraph headings in this Stipulation and in the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(d) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters hereof, and constitute the sole agreement of the parties with respect to such subject matters.

(e) The Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

WHEREFORE, on this 13th day of April 2005, BARBARA A. KLITCHKO executes this Stipulation, intending to be legally bound hereby.

Accepted by:
OFFICE OF THRIFT SUPERVISION

/S/

BARBARA A. KLITCHKO

/S/

By: _____
Robert C. Albanese
Regional Director, Northeast Region

ACKNOWLEDGMENT

STATE OF NEW JERSEY)
COUNTY OF Union)

On this 13 day of April, 2005, before me, the undersigned notary public, personally appeared BARBARA A. KLITCHKO, who acknowledged her execution of the foregoing Stipulation and Consent to Issuance of an Order of Prohibition.

WHEREFORE, I hereby set my hand and seal.

Linda S. Gallo
Name:

Notary Public

My commission expires:

LINDA S. GALLO
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 10/12/2006

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION

<u>In the Matter of</u>)	
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BARBARA A. KLITCHKO,)	Order No. NE-05-05
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A Former Officer of)	Dated: May 2, 2005
)	
GLOUCESTER COUNTY FEDERAL)	
SAVINGS BANK, Sewell, New Jersey)	
(OTS No. 00940))	
)	

ORDER OF PROHIBITION

WHEREAS, BARBARA A. KLITCHKO ("KLITCHKO") has executed the accompanying Stipulation and Consent to the Issuance of an Order of Prohibition ("Stipulation"); and

WHEREAS, KLITCHKO, by her execution of the Stipulation has consented and agreed to the issuance of this Order of Prohibition ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(e) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e).

NOW THEREFORE, IT IS ORDERED that:

1. Prohibition.

(a) **KLITCHKO** is prohibited from further participation, in any manner, in the conduct of the affairs of Gloucester County Federal Savings Bank, Sewell, New Jersey (OTS No. 00940).

(b) **KLITCHKO,** except upon the prior written consent of the OTS (acting through its Director or an authorized representative thereof) and any other "appropriate Federal financial institutions regulatory agency," for purposes of 12 U.S.C. § 1818(e)(7)(B)(ii), shall not hold any office in, or participate in any manner in the conduct of the affairs of, any institution or agency specified in 12 U.S.C. § 1818(e)(7)(A), including, but not limited to:

- i. Any insured depository institution, e.g., savings and loan associations, savings banks, national banks, trust companies, and other banking institutions;
- ii. Any institution treated as an insured bank under 12 U.S.C. §§ 1818(b)(3) and 1818(b)(4), or as a savings association under 12 U.S.C. § 1818(b)(9), e.g., subsidiaries and holding companies of banks or savings associations;

- (c) **KLITCHKO**, in view of 12 U.S.C. § 1818(c)(6), also shall not —

2. This Order is subject to and hereby provides notice of the provisions of Section 8(j) of the FDI Act, 12 U.S.C. § 1818(j).

4. This Order is and shall become effective on the date it is issued, which date is shown in the caption hereof. The Stipulation and this Order shall remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative.

By: /S/
Robert C. Albanese
Regional Director, Northeast Region